FDI in Telecom services, Tea and Coffee plantations

809. SHRI NANA DESHMUKH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that in addition to 100 per cent FDI via automatic route in power and petroleum refining sector. Government have now allowed cent per cent FDI in telecom services, tea and coffee plantations;

(b) whether it is also a fact that Government are proposing to lift restrictions on dividend repatriation by multinational companies; and

(c) if so, what safeguards arc being taken be Government to. protects the interest of domestic industries in these sectors as well as interest of the nation as a whole so that the past history of East India Company is not repeated?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) No, Sir. Cent per cent FDI is not being permitted in telecom services, tea & coffee plantations. No equity cap however is applicable to manufacturing activities in telecommunications sector.

(b) On review of the policy on *dividend* balancing, hitherto applicable to 22 specified consumer goods industries, and with a view to attracting more FDI, it has been decided to remove this condition, since it is seen as inhibiting investment.

(c) FDI is not considered a threat to an efficient domestic industry. However, while considering FDI proposals, a declaration is obtained from the applicant whether the foreign collaborator has any previous. joint venture or technology transfer/trademark agreement in the same or allied field in India the detailed circumstances in which it is considered necessary to set up a new joint venture/ enter into new technology transfer (including trade mark), and proof that the new proposal would not in any way jeopardise the interest of the existing joint venture or technology/tradc mark partner or other stake holders. For induction of Foreign/NRI/OCB equity in an existing Indian company, *a* copy of the Board Resolution of the Indian company is called for.

Disinvestment of 33 PSEs

810. DR. MANMOHAN SINGH: Will the Minister of DISINVESTMENT be pleased to state;

(a) whether Government have decided to disinvest its equity in 33 public sector enterprises;

(b) if so, which are the enterprises to be sold off and what is the percentage of Government equity which is sought to be di sin vested;

(c) what are the major reasons for the decisions to sell these enterprises; and

(d) what mechanisms are contemplated to ensure that Government receive a fair price for assets sought to be sold off?

THE MINISTER OF STATE *OF* THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) In 17 cases the disinvestment proposals have been cleared and the 'Advisors' have been appointed. Their names and the percentage of Government equity at present and equity to be disinvested in them is given below:—

PSU	Percentage of equity Present	to be disinvested
1. Bharat Aluminium Company Ltd.	100	51
2. Indian Petrochemicals Corporation Ltd.	59.95	25
3. HTLLtd.	100	74
4. RBLLtd.	**	100
5. Scooters India Ltd.	94.82	74
6. Engineering Projects India Ltd.	97.75	74
7. NEPALtd.	99.36	100
8. Hindustan Cables Ltd.	99.59	59-99.59
9. Instrumentation Ltd.	100	100
10. Bharat Leather Ltd.	100	100
11. Air India	100	60
12. Indian Airlines	100	51
13. India Tourism Development Corporation Ltd.	89.97	$
14. Madras Fertilizers Ltd.	59.22	33
15. National Fertilizers Ltd.	97.65	51
16. Hindustan Copper Ltd.	98.76	
Phase I	51	
Phase 11	51	*
17. Jessop & Co. Ltd.	**	74

$ Disinvestment partly through trade sale and part through long-term teases.

* Phase II would not be a treans issue of shares but disinvestment through a strategic sale.

** There are the subsidiaries of Public Sector Companies and percentage of disinvestment is related to the disinvestment of the holding company in the subsidiaries.

In two cases in disinvestment has been cleared but the "Advisors' are yet to be appointed. These are Hindustan Organic Chemicals Ltd. and MSTC Ltd,"In principle' decision for disinvestment in 13 other companies has also been taken. These are Hindustan Latex Ltd., Bharat Brakes & Valves Ltd., Container Corporation Ltd., Hindustan Zinc Ltd., Shipping Corporation Ltd., Minerals & Metals Trading Corporation, State Trading Corporation, Sponge Iron, Hindustan Insecticides Ltd., MECL, Hotel Corporation of India Ltd., Hotel Ran c hi Ashok and Utkal Ash ok. The process of disinvestment is in different stages of implementation in these companies.(c) Disinvestment of Government shareholding in PSUs is being done as per the declared policy to bring down the Government shareholding to 26% or below in the generality of cases. In cases of PSUs involving strategic considerations, Government will continue to retain majority holding, (d) Shares of a PSU are disinvested by a bidding process. The best price is determined by the market forces. However, the Government values the shares by different methods to ensure that the sale process fetches the best value. Whenever necessary the assets will be valued.

Disinvestment of Undertakings in Core Sector

811. SHRI J. CHITHARANJAN:
SHRI V.V. RAGHAVAN:

Will the Minister of DISINVESTMENT be pleased to state:

(a) which are the public sector undertakings considered to be in the Core Sector;

(b) what is the maximum percentage of disinvestment allowed for the undertakings in this sector;

(c) which are the undertakings whose Government equity shares are disinvested, so far, giving'die percentage; and

(d) the details of the proposed disinvestment under this sector for the current year?

THE MINISTER OF STATE OFTHE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) The Government has classified PSUs in two categories for the purpose of disinvestment. These are "Strategic" and "Non-Strategic".Strategic Public Sector Enterprises would be those in the areas of;

(i) Arms and ammunitions and the allied items of defence equipment, defence aircrafts and warships;